

Table of Contents

State Name: Pennsylvania

State Plan Amendment (SPA)#: 18-0043

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) One (1) SPA Page



Financial Management Group

January 18, 2019

Ms. Teresa D. Miller, Secretary
Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
PO Box 2675
Harrisburg, PA 17110-2675

RE: State Plan Amendment 18-0043

Dear Ms. Miller:

We have completed our review of State Plan Amendment (SPA) 18-0043. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the SPA continues an additional class of disproportionate payments for acute care hospitals with 400 or more setup and staffed beds in a county with a population less than 500,000.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(3), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving state plan amendment 18-0043 effective December 16, 2018. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, or require additional information, please call Gary Knight at (304) 347-5723.

Sincerely,

/S/

Kristin Fan
Director

Enclosures

cc: Leesa M. Allen, Executive Deputy Secretary, DHS
Sally Kozak, Deputy Secretary, DHS/OMAP
Dan De Lellis, Director, DHS, Bureau of Policy, Planning, and Analysis

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
18-0043

2. STATE
Pennsylvania

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)
Title XIX

4. PROPOSED EFFECTIVE DATE
December 16, 2018

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447 Subpart C

7. FEDERAL BUDGET IMPACT
a. FFY 2018 \$0
b. FFY 2019 \$381,452

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19A, Page 21x

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

Attachment 4.19A, Page 21x

10. SUBJECT OF AMENDMENT

Disproportionate Share Payments to Qualifying Hospitals

11. GOVERNOR'S REVIEW (Check One)

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT ☒ OTHER, AS
☐ SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL

/S/

13. TYPED NAME

Teresa D. Miller

14. TITLE

Secretary of Human Services

15. DATE SUBMITTED

DEC 20 2018

16. RETURN TO

Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
Bureau of Policy, Analysis and Planning
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

18. DATE APPROVED

JAN 18 2019

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

DEC 16 2018

20. SIGNATURE OF REGIONAL OFFICIAL

/S/

21. TYPED NAME

Kristin Fan

22. TITLE

Director, FMG

23. REMARKS

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS TO QUALIFYING HOSPITALS

The Department of Human Services (Department) will make disproportionate share hospital (DSH) payments to qualifying Medical Assistance (MA) enrolled acute care general hospitals that provide a high volume of inpatient services to MA eligible and low-income populations.

A hospital is eligible for this additional class of DSH payments if the hospital meets all criteria listed below. Unless otherwise stated, the source of the information is the Fiscal Year (FY) 2011-2012 MA-336 Hospital Cost Report.

- a) The hospital is enrolled in the MA Program as an acute care general hospital.
- b) The hospital is located in a county with a total population of less than 500,000 residents, based on the 2010 Federal decennial census.
- c) The hospital has at least 400 total setup and staffed beds.
- d) The hospital ranked at or above the 90th percentile, among MA enrolled acute care hospitals located in counties with a total population of less than 500,000 residents, on the total number of MA inpatient days of care provided.
- e) The hospital ranked in excess of one standard deviation above the mean among MA enrolled acute care hospitals located in counties with a total population of less than 500,000 residents, on the ratio of MA psychiatric inpatient days provided to total psychiatric inpatient days.
- f) The hospital's ratio of uncompensated care to net patient revenue, based on the Pennsylvania Health Care Cost Containment Council *Financial Analysis 2013*, exceeded 3.40%.

Payments will be divided proportionally among qualified hospitals based on each hospital's total MA inpatient days to total MA inpatient days for all qualified hospitals. All payment limitations are still applicable, including those limitations that the Commonwealth may not exceed its aggregate annual DSH allotment and that no hospital may receive DSH payments in excess of its hospital-specific limit. The Department will not redistribute DSH payments made under this additional class of DSH payments to qualifying hospitals as a result of a qualifying hospital exceeding its hospital-specific DSH limit.

The FY 2018-2019 impact, as a result of the funding allocation for these payments, is \$0.730 million (\$0.349 million in State general funds and \$0.381 million in Federal funds).

TN# 18-0043

Supersedes

TN# 18-0009

Approval Date: JAN 18 2019

Effective Date: December 16, 2018